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STATE OF MONTANA

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING

Report on Examination of Financial Statements
Conducted Under Contract By
Steele & Vaught, CPA's

Fiscal Year Ended June 30, 1979

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STATE OF MONTANA

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING

Report on Examination of Financial Statements
Conducted Under Contract By
Steele & Vaught, CPA's

Fiscal Year Ended June 30, 1979

STATE OF MONTANA

Office of the Legislative Auditor

STATE CAPITOL
HELENA, MONTANA 59601
406/449-3122



MORRIS L. BRUSETT, C.P.A.
LEGISLATIVE AUDITOR

November 1979

ELLEN FEAVER, C.P.A.
DEPUTY LEGISLATIVE AUDITOR
JOHN W. NORTHEY
STAFF LEGAL COUNSEL

The Legislative Audit Committee
of the Montana State Legislature:

Transmitted herewith is the report on the audit of the Department
of Professional and Occupational Licensing for the year ended
June 30, 1979.

The audit was conducted by Steele and Vaught, C.P.A.s, under a
contract between the firm and our office. The comments and recom-
mendations contained in this report represent the views of the firm
and not necessarily the Legislative Auditor.

The agency's written response to the report recommendations is
included in the back of the audit report.

Respectfully submitted,

Morris L. Bruset

Morris L. Bruset, C.P.A.
Legislative Auditor

MLB/js

Enclosure

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SUMMARY OF RECOMMENDATIONS

As a separate section in the front of each audit report we include a listing of all recommendations together with a notation as to whether the agency concurs or does not concur with each recommendation. This listing serves as a means of summarizing the recommendations contained in the report and the audited agency's reply thereto and also as a ready reference to the supporting comments. The full reply of the Department of Professional and Occupational Licensing is included in the back of this report.

Page

In order to maintain some form of control over income, it is necessary that the mail be opened and that the receipts be logged before the mail is delivered to the board secretaries. It is then necessary for board secretaries to submit to Central Services a list of the individual receipts making up their treasury deposit tickets. Finally, it will be necessary for Central Services to compare the mail logs with the deposits to insure not only that each incoming receipt is deposited but that it is deposited on a timely basis.

Implementation of the above procedures has been recommended in the last four audits and the necessary appropriation has been requested by the Director of the Department. This request, however, has been denied. We recommend that the appropriation be approved and that the procedures be implemented.

1

Agency Reply: Partially concur. See page 49.

All prenumbered receipts should be accounted for in order to insure that all monies received are being reported as revenue.

2

Agency Reply: Concur. See page 49.

The Department should maintain more diligence in making the deposits so as to comply with the law.

2

Agency Reply: Concur. See page 49.

Employees responsible for coding revenue should use greater care in entering receipts in the journals.

3

Agency Reply: Concur. See page 49.

SUMMARY OF RECOMMENDATIONS (Continued)

Page

If the Department were to implement the procedures recommended in Cash Receipts and Revenues Comment No. 1, then a detailed list of cash received would be available so that refund candidates could be verified before their checks are issued. This would eliminate problems (a) and (b) above. To correct item (c) it will be necessary to allow sufficient time for incoming checks to clear the bank upon which they are drawn before issuing refund warrants. 3

Agency Reply: Concur. See page 49.

The legislature should enact modifications to the laws which would permit the staggering of renewals. 4

Agency Reply: Concur. See page 49.

All boards should use similar prenumbered renewal forms. Information relevant to each board could be printed separately on their individual forms. The first copy would be the renewal notice which is sent to the licensee. There should also be a "reminder copy" in case the fee is not received by a certain date. The form would also have three copies of a renewal license with two copies to be sent to the licensee upon payment of the fee. The third copy would be kept on file and it would indicate the day payment was received. An alphabetical card file should be maintained showing the renewal number and date payment was received in addition to all other pertinent license information. 4

Agency Reply: Do not concur. See page 49.

Personnel assigned to Central Services should not be assigned responsibility for any of the boards. 5

Agency Reply: Do not concur. See page 50.

We recommend that the Department of Professional and Occupational Licensing:

(a) take a complete annual inventory of its fixed assets, update the folders for any changes during the year that were not properly recorded;

(b) keep folders updated for all changes when they occur; and

SUMMARY OF RECOMMENDATIONS (Continued)

	<u>Page</u>
(c) require proper authorization for disposal or transferring of assets.	5
<u>Agency Reply:</u> Concur. See page 50.	
All licensee records should be in fireproof files.	
At present only two boards have them while two others have safes. The cost of purchasing fireproof files for each board could be excessive. A possible alternative could be to have all permanent licensee information put on microfilm, as has been done by the Nursing Board. The existing fireproof files and safes could then be used to safeguard the card files maintained by each board.	6
<u>Agency Reply:</u> Do not concur. See page 50.	
We recommend that the Department of Professional and Occupational Licensing establish and record accounts receivable on SBAS to ensure proper accounting control.	7
<u>Agency Reply:</u> Concur. See page 50.	
We recommend that the board hold board meetings in state-owned facilities whenever feasible.	7
<u>Agency Reply:</u> Concur. See page 51.	
We recommend that the Department maintain a log of all long-distance calls and that centralized services compare telephone bills to this log before approving payment.	7
<u>Agency Reply:</u> Concur. See page 51.	
We recommend that the Department use the state Purchasing Division to obtain contracted secretarial services.	8
<u>Agency Reply:</u> Do not concur. See page 51.	
We recommend that the Department record as revenue monies received in exchange for goods and services so that both the revenue and expenditure accounts will not be understated.	8
<u>Agency Reply:</u> Concur. See page 51.	

SUMMARY OF RECOMENDATIONS (Continued)

	<u>Page</u>
Employees should use the total of room taxes and room rent in calculating their allowable reimbursement.	8
<u>Agency Reply:</u> Concur. See page 51.	
Reimbursement should be based on the cheapest form of transportation.	9
<u>Agency Reply:</u> Concur. See page 51.	
More care should be taken in the preparation of this analysis to ensure an accurate apportionment of costs between the various boards within the Department.	9
<u>Agency Reply:</u> Concur. See page 52.	
The payroll input sheet should be double-checked in order to reduce the error rate and ensure proper payment of employees.	10
<u>Agency Reply:</u> Concur. See page 52.	
Completed and signed W-4 forms must be on file before an employee begins work.	10
<u>Agency Reply:</u> Partially concur. See page 52.	
Central Services employees performing personnel functions should become very familiar with IRS regulations so that they are able to judge the propriety of the status claimed on W-4 forms.	10
<u>Agency Reply:</u> Partially concur. See page 52.	

STEELE & VAUGHT
CERTIFIED PUBLIC ACCOUNTANTS
703 WEST MENDENHALL
BOZEMAN, MONTANA 59715

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(406) 587-4522

The Legislative Audit Committee
of the Montana State Legislature:

We have examined the balance sheet of the Department of Professional and Occupational Licensing as of June 30, 1979, and the related statement of operations and changes in fund balances for the year then ended. Except as set forth in the following paragraphs, our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

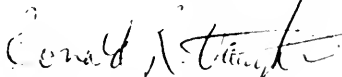
Because of major inadequacies in the Department's system of internal control and in its accounting records, it was not practicable to extend our auditing procedures to make a determination as to the validity of reported revenue for the year ended June 30, 1979.

The Department has not adequately maintained a record of its general equipment and, accordingly, a statement of general fixed assets as required by generally accepted accounting principles is not included in the financial report.

Since the Department of Professional and Occupational Licensing did not have an adequate system of internal control and did not have adequate accounting records, and we were unable to apply sufficient

alternative procedures regarding revenues and general equipment,
as noted in the previous paragraphs, the scope of our work was not
sufficient to enable us to express, and we do not express, an opinion
on the financial statements referred to above.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Ronald A. Steele". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Steele & Vaught, CPA's

Bozeman, Montana
September 24, 1979

OBJECTIVE OF INTERNAL CONTROL REVIEW

We have examined the financial statements of the Department of Professional and Occupational Licensing for the year ended June 30, 1979, and have issued our report thereon dated September 24, 1979. As part of our examination, we made a study and evaluation of the Department of Professional and Occupational Licensing's system of internal accounting control to establish a basis for reliance thereon in determining the nature, timing and extent of other auditing procedures necessary for expressing an opinion on the financial statements and to assist in planning and performing our examination of the financial statements.

The objective of internal accounting control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

Our examination would not necessarily disclose all weaknesses in the system of internal accounting control because it was based upon selective tests of accounting records and related data. However, our study and evaluation disclosed conditions that we believe to be material weaknesses in the internal accounting controls established by the Department and the Department's compliance with those controls. We discuss these weaknesses in this report.

State of Montana
Department of Professional and Occupational Licensing

Comments and Recommendations

June 30, 1979

Accounting Procedures and Internal Control

Cash Receipts and Revenues

1. The Central Services Division sorts incoming mail according to the board addressed thereon. Each board's secretary then opens the mail, records the receipts, and prepares a treasury deposit ticket. This report and the related receipts are then transmitted to the Central Services Division where they are included in that day's deposit into the State Treasury account at First National Bank.

Incompatible functions for accounting control purposes are those that place any person in a position both to perpetrate and to conceal errors or irregularities in the normal course of his duties. Anyone who records transactions or has access to assets ordinarily is in a position to perpetrate errors or irregularities. Accordingly, accounting control necessarily depends largely on the elimination of opportunities for concealment. As stated in the preceding paragraph, the board secretaries are in a position to perpetrate and conceal errors.

RECOMMENDATION: In order to maintain some form of control over income, it is necessary that the mail be opened and that the receipts

be logged before the mail is delivered to the board secretaries. It is then necessary for board secretaries to submit to Central Services a list of the individual receipts making up their treasury deposit tickets. Finally, it will be necessary for Central Services to compare the mail logs with the deposits to insure not only that each incoming receipt is deposited but that it is deposited on a timely basis.

Implementation of the above procedures has been recommended in the last four audits and the necessary appropriation has been requested by the Director of the Department. This request, however, has been denied. We recommend that the appropriation be approved and that the procedures be implemented.

2. The use of prenumbered cash receipt tickets is an important part of a system of internal control only if all ticket numbers are accounted for. Our examination disclosed that a proper accounting for the ticket numbers is not always being made.

RECOMMENDATION: All prenumbered receipts should be accounted for in order to insure that all monies received are being reported as revenue.

3. M.C.A. Code Section 17-6-105 states that all monies received by a state agency shall be deposited each day when the total collections on hand exceed \$500, or at least weekly. The boards did not always comply with these requirements. Additionally, once receipts had been transmitted

from the boards to Central Services, the deposits were not always made to the bank on a timely basis.

RECOMMENDATION: The Department should maintain more diligence in making the deposits so as to comply with the law.

4. We noted in a number of instances that income was not coded to the proper revenue ID codes.

RECOMMENDATION: Employees responsible for coding revenue should use greater care in entering receipts in the journals.

Refunds

1. The following problems became evident in our examination of refunds:

- (a) Because of the occasional use of a batching system to record a day's receipts in the revenue journals, it is not always possible to determine from whom the individual receipts were remitted. Therefore, we were unable to trace certain refunds to the corresponding receipt of monies by the Department.
- (b) We noted two separate occasions where the Department refunded money that it had never received. The improper disbursements were later recovered.
- (c) In one instance a refund was issued on a remittance that was a bad check. This was also recovered later.

RECOMMENDATION: If the Department were to implement the procedures recommended in Cash Receipts and Revenues Comment No. 1, then a detailed list of cash received would be available so that refund candidates could be verified before their checks are issued. This would eliminate problems (a) and (b) above. To correct item (c) it will be necessary to allow sufficient time for incoming checks to clear the bank upon which they are drawn before issuing refund warrants.

Renewals

1. As noted in previous audits, approximately 85% of all renewals fall on either December 31 or June 30, and most errors and exceptions occurred at these times. Workloads are too high during these periods to facilitate execution of all procedures on a timely basis. Also, the use of part-time employees to get through these periods leads to an increased error rate.

RECOMMENDATION: The legislature should enact modifications to the laws which would permit the staggering of renewals.

2. The Department does not have a uniform system for sending out renewal applications. Some boards' renewals are computerized while others are processed totally by the board secretary. A standardized policy would reduce the possibility of some license renewal notices being overlooked, and it would also establish a control over the number of

licenses issued.

RECOMMENDATION: All boards should use similar prenumbered renewal forms. Information relevant to each board could be printed separately on their individual forms. The first copy would be the renewal notice which is sent to the licensee. There should also be a "reminder copy" in case the fee is not received by a certain date. The form would also have three copies of a renewal license with two copies to be sent to the licensee upon payment of the fee. The third copy would be kept on file and it would indicate the day payment was received. An alphabetical card file should be maintained showing the renewal number and date payment was received in addition to all other pertinent license information.

Separation of Duties

1. In order for the system of internal controls to function properly, it is necessary that the Central Services Division be independent of the boards and their day-to-day operations. We noted during our examination that Central Services' personnel had been assigned direct board responsibilities.

RECOMMENDATION: Personnel assigned to Central Services should not be assigned responsibility for any of the boards.

Fixed Assets

1. Fixed asset records have been established but, according to

prior audit reports and to our observations, they have not been properly maintained.

RECOMMENDATION: We recommend that the Department of Professional and Occupational Licensing:

- (a) take a complete annual inventory of its fixed assets, update the folders for any changes during the year that were not properly recorded;
- (b) keep folders updated for all changes when they occur; and
- (c) require proper authorization for disposal or transferring of assets.

Files

1. Most licensee records are kept in non-fireproof file cabinets. The Morticians Board lost many of their files because of a flood several years ago. Licensee records are an important part of the operation of all boards and should be safeguarded.

RECOMMENDATION: All licensee records should be in fireproof files. At present only two boards have them, while two others have safes. The cost of purchasing fireproof files for each board could be excessive. A possible alternative could be to have all permanent licensee information put on microfilm, as has been done by the Nursing Board. The existing fireproof files and safes could then be used to safeguard the card files maintained by each board.

Accounts Receivable

1. During our review of expenditure abatements of the Department of Professional and Occupational Licensing, we noted that when billings were made for photocopying services and inspections of abstract plants, accounts receivable were not established by the respective boards nor were accounts receivable recorded on the Statewide Budgeting and Accounting System (SBAS).

RECOMMENDATION: We recommend that the Department of Professional and Occupational Licensing establish and record accounts receivable on SBAS to ensure proper accounting control.

Meeting Rooms

1. On several occasions during the year various board have rented space to hold meetings.

RECOMMENDATION: We recommend that the board hold board meetings in state-owned facilities whenever feasible.

Telephone Usage

1. It is difficult to determine whether long-distance calls were made for valid board business and by authorized personnel.

RECOMMENDATION: We recommend that the Department maintain a log

of all long-distance calls and that centralized services compare telephone bills to this log before approving payment.

Contracted Services

1. The Department often contracts with third parties for secretarial services.

RECOMMENDATION: We recommend that the Department use the state Purchasing Division to obtain contracted secretarial services.

Abatements

1. As pointed out in the abatement audit performed in 1978, some boards offset expenses with the related reimbursements received thereon. This practice has resulted in a corresponding misstatement of revenues and expenditures.

RECOMMENDATION: We recommend that the Department record as revenue monies received in exchange for goods and services so that both the revenue and expenditure accounts will not be understated.

Travel Expenditures

1. Out-of-state travel reimbursements were calculated by using separate categories for room taxes and room rent. This practice is in variance with the Montana Operations Manual which states that the two

items should be added together to determine the allowable reimbursement.

RECOMMENDATION: Employees should use the total of room taxes and room rent in calculating their allowable reimbursement.

2. During the audit we observed instances where charter air fares were paid to transport board members to meetings. These payments exceeded the amounts that would have been paid had the members charged the standard mileage rate.

RECOMMENDATION: Reimbursement should be based on the cheapest form of transportation.

Department Allocation

1. The Central Service appropriation is funded through a transfer of revenue from the various boards. The amounts to be transferred are determined through a detailed analysis of cost and time. In checking the accuracy of this analysis we found in excess of fifty (50) errors. Furthermore, since early computations used in the analysis were the basis of later computations, the errors were compounded at each step. As a result, the transfers are not an accurate application of the approved formula.

RECOMMENDATION: More care should be taken in the preparation of this analysis to ensure an accurate apportionment of costs between

the various boards within the Department.

Payroll

1. The audit of payroll uncovered seven (7) instances where employees were either underpaid or overpaid. In all cases the amounts have been corrected.

RECOMMENDATION: The payroll input sheet should be double-checked in order to reduce the error rate and ensure proper payment of employees.

2. During our analysis of payroll records we determined that one W-4 form was missing and found that another was unsigned.

RECOMMENDATION: Completed and signed W-4 forms must be on file before an employee begins work.

3. One employee improperly listed himself as exempt on his W-4.

RECOMMENDATION: Central Services employees performing personnel functions should become very familiar with IRS regulations so that they are able to judge the propriety of the status claimed on W-4 forms.

State of Montana
Department of Professional and Occupational Licensing

ADMINISTRATIVE OFFICIALS

Thomas L. Judge
Governor

Ed Carney	Director
Mary Lou Crawford	Centralized Services Administrative Officer
Timothy J. Meloy	Legal Advisor Special Assistant to the Attorney General's Office

BOARD OF ABSTRACTERS

J. L. Cady	Great Falls	1980
Russell L. Culver	Baker	1979
Glenn Kenney	Helena	1981

BOARD OF ARCHITECTS

Martin W. Crennen	Helena	1982
Harold C. Rose'	Bozeman	1980
George Page	Great Falls	1981

BOARD OF ATHLETICS

Pat Connors	Anaconda	1981
Charles S. George	Laurel	1982
Harry Boskovich	Missoula	1980

BOARD OF BARBERS

Larry Sandretto	Red Lodge	1980
Jim Allen	Lolo	1982
William Graves	Great Falls	1981

BOARD OF CHIROPRACTORS

Jarl Hoklin, D.C.	Laurel	1981
William Elbert, D.C.	Anaconda	1980
Carrol Albert, D.C.	Great Falls	1982

BOARD OF COSMETOLOGISTS

June Baker	Miles City	1980
Dorothy Turner	Great Falls	1983
Jacques Romeijn	Billings	1981

BOARD OF DENTISTS

Don R. Bilden, D.D.S.	Columbus	1980
J. Robert Hickman, D.D.S.	Bozeman	1981
Robert Fritz, D.D.S.	Helena	1984
Douglas Wood, D.D.S.	Kalispell	1982
William Thomas, D.D.S.	Billings	1983
Jeannette Buchanan, R.D.H.	Columbia Falls	1984

STATE ELECTRICAL BOARD

Ralph Herriott	Billings	1981
George Donaldson	Medicine Lake	1982
Charles McQueary, Jr.	Kalispell	1979
Charles S. Powell	Kalispell	1980
Kenneth Olson	Billings	1983

BOARD OF HEARING AID DISPENSERS

Cecilia Sweeney	Butte	1980
Dudley Anderson	Missoula	1981
Robert B. Chaney, Ph.D.	Missoula	1980
Charles Steele, M.D.	Great Falls	1982
Ervin King	Billings	1982

BOARD OF HORSE RACING

James E. Edwards	Billings	1980
Robert J. Holland	Butte	1981
Richard Heard	Columbus	1981
Dale Mahlum	Missoula	1982
Joseph Murphy, D.D.S.	Great Falls	1982

BOARD OF LANDSCAPE ARCHITECTS

Richard L. Mayer, L.A.	Helena	1981
Ted Wirth, L.A.	Billings	1981
Wayne Worthington, L.A.	Missoula	1981
Ester Hamel	St. Ignatius	1982
George Matz	Billings	1981

BOARD OF MASSAGE THERAPISTS

Thomas A. Prewett	Glasgow	1982
Ruth Robertson	Stanford	1981
Ethel Gullickson	Winnett	1980

BOARD OF MEDICAL EXAMINERS

Lloyd L. Garrels, D.O.	Anaconda	1982
Allan Lee Goulding, M.D.	Billings	1981
Thomas J. Malee, M.D.	Glendive	1980
Edward E. Bertagnolli, M.D.	Three Forks	1986
Henry H. Gary, M.D.	Missoula	1984
John A. Layne, M.D.	Great Falls	1983
John W. Strizich, M.D.	Helena	1985

BOARD OF MORTICIANS

Lorene L. Johnson	Kalispell	1980
Lyman M. Clayton, Jr.	Wolf Point	1982
Dennis F. Dolan	Butte	1981
J. Everett Bullis	Hardin	1983
Vern Vial	Great Falls	1984
Jack Severns	Great Falls	1982

BOARD OF NURSING

Janie Cromwell, R.N., B.S.	Butte	1983
Helen Kiesling, R.N., M.N.	Havre	1984
Donna Small, R.N., B.S.	Billings	1980
Jeanette Mattfeldt, L.P.N.	Helena	1981
Patricia McCranie, L.P.N.	Billings	1984
Marie Larish, R.N., B.S.	Helena	1981
Therese Sullivan, R.N., Ph.D.	Helena	1982
Shirley A. Mann, L.P.N.	Black Eagle	1983

BOARD OF NURSING HOME ADMINISTRATORS

Marvin Bulgatz, Ph.D.	Billings	1981
Marion Finley	Helena	1982
Marguerite Watne	Kalispell	1983
Warren Croston	Anaconda	1980
Vera Gerke	Billings	1984
George Fenner, Ex Officio	Helena	By law
William F. Ikard, Ex Officio	Helena	By law

BOARD OF OPTOMETRISTS

Carl Totman, O.D.	Malta	1981
Chris E. Berg, O.D.	Conrad	1981
J. R. Crabtree, O.D.	Choteau	1983

BOARD OF OSTEOPATHIC PHYSICIANS

Lester F. Howard, D.O.	Great Falls	1981
M. P. Mead, D.O.	Billings	1983
Clem L. Shafer, Jr., D.O.	Helena	1980

BOARD OF PHARMACISTS

Terry Donahue, R.Ph.	Butte	1980
James R. Carlson, R.Ph.	Miles City	1981
Palmer Kronen, R.Ph.	Missoula	1979

BOARD OF PHYSICAL THERAPY

Helen Jorgenson, P.T.	Billings	1981
Tom Larson, P.T.	Butte	1982
Jill Luckman, P.T.	Great Falls	1980

BOARD OF PLUMBERS

Roy Prussing	Billings	1981
Arthur Clarkson	Helena	By law
Floyd Stewart	Butte	1982
Walter E. Tynes, Jr.	Great Falls	1983
John Harwood	Plains	1981
Donald Kristensen	Bozeman	1983
Mike Mizenko	Great Falls	1982

BOARD OF PODIATRY EXAMINERS

W. W. Wilkinson, D.P.M.	Great Falls	1979
Loren Rogers, D.P.M.	Missoula	1980
Morris Hamill, D.P.M.	Helena	1981

PRIVATE INVESTIGATORS

Ed Carney	Helena	By law
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BOARD OF PROFESSIONAL ENGINEERS AND LAND SURVEYORS

Maurice E. Guay	Missoula	1981
Don Henen	Great Falls	1983
Albert T. Kersich	Billings	1980
William T. Tangen	Helena	1983
Dennis O. Blacketter, Ph.D.	Bozeman	1983
Lou Fontana	Great Falls	1982
William W. Eyer	Glendive	1982

BOARD OF PSYCHOLOGISTS

H. A. Walters, Ph. D.	Missoula	1981
J. Bailey Molineaux, Ph.D.	Helena	1982
Mark Mozer, Ph.D.	Helena	1980

BOARD OF PUBLIC ACCOUNTANTS

Sherman Veltkamp, C.P.A.	Bozeman	1981
Norvell Besinque, L.P.A.	Billings	1981
Jack R. Dobbins, C.P.A.	Missoula	1983
Boyd A. Taylor, C.P.A.	Butte	1979
Clayton Sheets, L.P.A.	Helena	1979

BOARD OF RADIOLOGIC TECHNOLOGISTS

Phil Harston, R.T.	Missoula	1980
Reynold Benedetti, R.T.	Great Falls	1981
Kent Boughn, M.D.	Helena	1980
Allan W. Downs, D.C.	Billings	1981
Donna Goodman, R.T.	Billings	1982
Virgil Walker, R.T.	Billings	1979
Richard Sims, M.D.	Helena	1979

BOARD OF REAL ESTATE

Marie Anderson	Billings	1980
Tom Lund, Sr.	Hamilton	1981
Patricia Raundal	Helena	1983
Dexter Delaney	Missoula	1983
George Pierce	Billings	1982

BOARD OF SANITARIANS

Kenneth B. Read	Missoula	1981
James Peterson	Helena	1982
Sam Kalfat	Black Eagle	1980

BOARD OF SPEECH PATHOLOGISTS AND AUDIOLOGISTS

Shirley DeVoe	Helena	1981
Charles Parker, Ph.D.	Missoula	1981
Connie Simonsen	Billings	1980
Kathleen Sauvageau	Belgrade	1979
Charles Lewis	Great Falls	1980

BOARD OF VETERINARIANS

Douglas Delaney	Grass Range	1980
Donald Buelke, D.V.M.	Victor	1981
William A. Rogers, D.V.M.	Great Falls	1982
Duane Douglas, D.V.M.	Sidney	1984
E. Wayne Boland, D.V.M.	Billings	1980
Harry A. Michael, D.V.M.	Worden	1983

BOARD OF WARM AIR HEATING,
VENTILATION AND AIR CONDITIONING

Robert C. Patterson	Great Falls	1982
Jack E. McLees	Bozeman	1980
Robert Carson	Helena	1982
Tim Meloy	Helena	By law
James Kembel	Helena	By law

BOARD OF WATER WELL CONTRACTORS

Wesley Lindsay	Clancy	1982
Ted Benes	Billings	1980
Pete Norbeck	Butte	By law
Don Willems	Helena	By law
Ron Guse	Helena	By law

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING

COMBINED BALANCE SHEET
As of June 30, 1979

	Central Services (ERA)	Board of Landscape Architects (ERA)	Board of Speech Pathologists (ERA)	Board of Radiologic Technologists (ERA)	Board of Warm Air Heating (ERA)	Board of Podiatry Examiners (ERA)
ASSETS						
Cash in Treasury	\$20,604	\$ 2,795	\$ 13,266	\$ 9,598	\$ 5,632	\$ 1,197
Inter-Entity Loans	(600)			(35)		
Accounts Receivable-Bad Checks						
Total Assets	<u>\$20,004</u>	<u>\$ 2,795</u>	<u>\$ 13,266</u>	<u>\$ 9,563</u>	<u>\$ 5,632</u>	<u>\$ 1,197</u>
LIABILITIES AND FUND BALANCE						
Accrued Expenditures	\$ 4,106	\$ 80	\$ 7	\$ 98	\$ 2,662	\$ 147
Reserve for:						
Reverted Appropriations	14,658	213	1,952	823	12,086	510
Fund Balances	<u>1,240</u>	<u>2,502</u>	<u>11,307</u>	<u>8,642</u>	<u>(9,116)</u>	<u>540</u>
Total Liabilities and Fund Balance	<u>\$20,004</u>	<u>\$ 2,795</u>	<u>\$ 13,266</u>	<u>\$ 9,563</u>	<u>\$ 5,632</u>	<u>\$ 1,197</u>

The accompanying notes are an integral part of these statements.

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING

COMBINED BALANCE SHEET

As of June 30, 1979

ASSETS	Board of Nursing Home Administrators (ERA)	Board of Hearing Aid Dispensers (ERA)	Board of Massage Therapists (ERA)	Board of Public Accountants (ERA)	Board of Sanitararians (ERA)	State Electrical Board (ERA)
Cash in Treasury	\$ 9,269	\$ 4,761	\$ 4,103	\$45,518	\$ 5,130	\$117,224
Accounts Receivable-Bad Checks	125	25				290
Expense Advances to Employees				(105)		45
Imprest Cash Funds						(339)
Accounts Receivable-Receipts						
Total Assets	<u>\$ 9,394</u>	<u>\$ 4,786</u>	<u>\$ 4,103</u>	<u>\$45,413</u>	<u>\$ 5,130</u>	<u>\$117,220</u>
LIABILITIES AND FUND BALANCES						
Accrued Expenditures	\$ 167	\$ 132	\$ 14	\$ 933	\$ 7	\$ 1,430
Reserve for:						
Reverted Appropriations	9,853	987	948	1,409	91	17,613
Fund Balances	(626)	3,667	3,141	43,071	5,032	98,177
Total Liabilities and Fund Balances	<u>\$ 9,394</u>	<u>\$ 4,786</u>	<u>\$ 4,103</u>	<u>\$45,413</u>	<u>\$ 5,130</u>	<u>\$117,220</u>

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING

COMBINED BALANCE SHEET
As of June 30, 1979

ASSETS	Board of Real Estate (ERA)	Board of Athletics (ERA)	Board of Architects (ERA)	Board of Morticians (ERA)	Board of Abstractors (ERA)	Board of Chiropractors (ERA)
Cash in Treasury	\$197,401	\$14,658	\$52,399	\$ 7,614	\$ 1,754	\$ 3,065
Inter-Entity Loans	600					
Accounts Receivable-Bad Checks	230		20			
Expense Advances to Employees	93					
Accounts Receivable-Receipts	(72)					
Total Assets	<u>\$198,252</u>	<u>\$14,658</u>	<u>\$52,419</u>	<u>\$ 7,614</u>	<u>\$ 1,754</u>	<u>\$ 3,065</u>
LIABILITIES AND FUND BALANCES						
Accrued Expenditures	\$ 4,532	\$ 7	\$ 2,554	\$ 106	\$ 86	\$ 145
Uncleared Collections	30					
Reserve for:		(44)	1,785	705	193	
Reverted Appropriations	10,234		48,080	6,803	1,475	2,920
Fund Balances	<u>183,456</u>	<u>14,695</u>	<u>52,419</u>	<u>7,614</u>	<u>1,754</u>	<u>3,065</u>
Total Liabilities and Fund Balances	<u>\$198,252</u>	<u>\$14,658</u>	<u>\$52,419</u>	<u>\$ 7,614</u>	<u>\$ 1,754</u>	<u>\$ 3,065</u>

The accompanying notes are an integral part of these statements.

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING

COMBINED BALANCE SHEET

As of June 30, 1979

ASSETS	Board of Professional Engineers (ERA)	Board of Medical Examiners (ERA)	Board of Water Well Contractors (ERA)	Board of Cosmotologists (ERA)	Board of Plumbers (ERA)	Board of Horse Racing (ERA)
Cash in Treasury	\$ 17,791	\$ 98,313	\$ 23,975	\$ 28,295	\$ 96,190	\$140,470
Accounts Receivable-Bad Checks	33	200	15	(4)	90	(49)
Expense Advances to Employees						87
Accounts Receivable-Receipts			(15)	(20)		(10)
Total Assets	<u>\$ 17,824</u>	<u>\$ 98,513</u>	<u>\$ 23,975</u>	<u>\$ 28,271</u>	<u>\$ 96,280</u>	<u>\$140,498</u>
LIABILITIES AND FUND BALANCES						
Accrued Expenditure	\$ 1,672	\$ 3,253	\$ 2,467	\$ 1,881	\$ 2,606	\$ 8,487
Reserve for:						
Reverted Appropriations	3,760	9,786	1,065	8,743	6,439	3,550
Fund Balances	<u>12,392</u>	<u>85,474</u>	<u>20,443</u>	<u>17,647</u>	<u>87,235</u>	<u>128,461</u>
Total Liabilities and Fund Balances	<u>\$ 17,824</u>	<u>\$ 98,513</u>	<u>\$ 23,975</u>	<u>\$ 28,271</u>	<u>\$ 96,280</u>	<u>\$140,498</u>

The accompanying notes are an integral part of these statements.

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING

COMBINED BALANCE SHEET
As of June 30, 1979

ASSETS		Private Investigators (ERA)	Board of Dentists (ERA)	Board of Optometrists (ERA)	Board of Pharmacists (ERA)	Board of Osteopathic Physicians (ERA)
Cash in Treasury		\$ 5,586	\$10,144	\$25,939	\$92,532	\$ 579
Total Assets		<u>\$ 5,586</u>	<u>\$10,144</u>	<u>\$25,939</u>	<u>\$92,532</u>	<u>\$ 579</u>
LIABILITIES AND FUND BALANCE						
Accounts Expenditures		\$ 140	\$ 707	\$ 200	\$ 2,703	
Reserve for:						
Reverted Appropriations		11	688	344	7,411	\$ 315
Fund Balances		<u>5,435</u>	<u>8,749</u>	<u>25,395</u>	<u>82,418</u>	<u>264</u>
Total Liabilities and Fund Balance		<u>\$ 5,586</u>	<u>\$10,144</u>	<u>\$25,939</u>	<u>\$92,532</u>	<u>\$ 579</u>

The accompanying notes are an integral part of these statements.

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSINGCOMBINED BALANCE SHEET

As of June 30, 1979

	<u>ASSETS</u>			
	Board of Nursing (ERA)	Board of Veterinarians (ERA)	Board of Barbers (ERA)	Board of Psychologists (ERA)
Cash in Treasury	\$160,714	\$ 11,009	\$ 13,825	\$ 7,285
Accounts Receivable-Bad Checks	97		38	
Accounts Receivable-Receipts	(562)			
Total Assets	<u>\$160,249</u>	<u>\$ 11,009</u>	<u>\$ 13,863</u>	<u>\$ 7,285</u>
	<u>LIABILITIES AND FUND BALANCES</u>			
Accrued Expenditures	\$ 9,140	\$ 1,830	\$ 933	\$ 1,479
Reserve for:				
Reverted Appropriations	61	42	7,426	105
Fund Balances	<u>151,048</u>	<u>9,137</u>	<u>5,504</u>	<u>5,701</u>
Total Liabilities and Fund Balance	<u>\$160,249</u>	<u>\$ 11,009</u>	<u>\$ 13,863</u>	<u>\$ 7,285</u>

The accompanying notes are an integral part of these statements.

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING

STATEMENT OF CHANGES IN FUND BALANCE
for the Fiscal Year Ended June 30, 1979

	Central Services (ERA)	Board of Landscape Architects (ERA)	Board of Speech Pathologists (ERA)	Board of Radiologic Technologists (ERA)	Board of Warm Air Heating (ERA)	Board of Podiatry Examiners (ERA)
Fund Balance, July 1, 1978	\$ 2,187	\$ 4,488	\$11,327	\$ 2,919	\$ 9,927	\$ 335
Additions:						
Excess Receipts over Expenditures	5,068		1,037	4,522		499
Reserve for Reverted Approp., 7-1-78	8,694	241	912	2,894	5,569	216
Total	<u>15,949</u>	<u>4,729</u>	<u>13,276</u>	<u>10,335</u>	<u>15,496</u>	<u>1,050</u>
Deductions:						
Excess Expenditures over Receipts		1,996			12,524	
Reserve for Reverted Approp., 6-30-79	14,658	213	1,952	823	12,086	510
Prior Year Adjustments	51	18	17	870	2	
Total	<u>14,709</u>	<u>2,227</u>	<u>1,969</u>	<u>1,693</u>	<u>24,612</u>	<u>510</u>
Fund Balance, June 30, 1979	<u>\$ 1,240</u>	<u>\$ 2,502</u>	<u>\$11,307</u>	<u>\$ 8,642</u>	<u>(\$ 9,116)</u>	<u>\$ 540</u>

The accompanying notes are an integral part of these statements.

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING

STATEMENT OF CHANGES IN FUND BALANCE
for the Fiscal Year Ended June 30, 1979

	Board of Nursing Home Administrators (ERA)	Board of Hearing Aid Dispensers (ERA)	Board of Massage Therapists (ERA)	Board of Public Accountants (ERA)	Board of Sanitarians (ERA)	State Electrical Board (ERA)
Fund Balance, July 1, 1978	\$ 1,027	\$ 2,978	\$ 2,979	\$39,638	\$ 4,625	\$ 74,185
Additions:						
Excess Receipts over Expenditures	852	1,456	382	4,842	432	27,387
Reserve for Reverted Approp., 7-1-78	7,348	254	738	781	70	14,389
Total	<u>9,227</u>	<u>4,688</u>	<u>4,099</u>	<u>45,261</u>	<u>5,127</u>	<u>115,961</u>
Deductions:						
Reserve for Reverted Approp., 6-30-79	9,853	987	948	1,409	91	17,613
Prior Year Adjustments		34	10	781	4	171
Total	<u>9,853</u>	<u>1,021</u>	<u>958</u>	<u>2,190</u>	<u>95</u>	<u>17,784</u>
Fund Balance, June 30, 1979	<u>(\$ 626)</u>	<u>\$ 3,667</u>	<u>\$ 3,141</u>	<u>\$43,071</u>	<u>\$ 5,032</u>	<u>\$ 98,177</u>

The accompanying notes are an integral part of these statements.

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING

STATEMENT OF CHANGES IN FUND BALANCE
for the Fiscal Year Ended June 30, 1979

	Board of Real Estate (ERA)	Board of Athletics (ERA)	Board of Architects (ERA)	Board of Morticians (ERA)	Board of Abstractors (ERA)	Board of Chiropractors (ERA)
Fund Balance, July 1, 1978	\$135,565	\$ 9,613	\$41,882	\$ 7,250	\$ 1,945	\$ 4,348
Additions:						
Excess Receipts over Expenditures	11,514	4,826	7,982			
Reserve for Reverted Approp., 7-1-78	47,941	217	507	2,707	152	29
Total	195,020	14,656	50,371	9,957	2,097	4,377
Deductions:						
Excess Expenditures over Receipts				2,442	390	1,161
Reserve for Reverted Approp., 6-30-79	10,234	(44)	1,785	705	193	
Prior Year Adjustments	1,330	5	506	7	39	296
Total	11,564	(39)	2,291	3,154	622	1,457
Fund Balance, June 30, 1979	\$183,456	\$14,695	\$48,080	\$ 6,803	\$ 1,475	\$ 2,920

The accompanying notes are an integral part of these statements.

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSINGSTATEMENT OF CHANGES IN FUND BALANCE
for the Fiscal Year Ended June 30, 1979

	Board of Professional Engineers (ERA)	Board of Medical Examiners (ERA)	Board of Water Well Contractors (ERA)	Board of Cosmotologists (ERA)	Board of Plumbers (ERA)	Board of Horse Racing (ERA)
Fund Balance, July 1, 1978	\$ 9,321	\$63,113	\$25,471	\$12,549	\$75,514	\$ 97,373
Additions:						
Excess Receipts over Expenditures		33,563		2,201		30,009
Reserve for Reverted Approp., 7-1-78	8,073	5,194	451	11,543	21,006	5,595
Total	17,394	101,870	25,922	26,293	96,520	132,977
Deductions:						
Excess Expenditures over Receipts	272		4,396		2,607	
Reserve for Reverted Approp., 6-30-79	3,760	9,786	1,065	8,743	6,439	3,550
Prior Year Adjustments	970	6,610	18	(97)	239	966
Total	5,002	16,396	5,479	8,646	9,285	4,516
Fund Balance, June 30, 1979	\$12,392	\$85,474	\$20,443	\$17,647	\$87,235	\$128,461

The accompanying notes are an integral part of these statements.

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING

STATEMENT OF CHANGES IN FUND BALANCE
for the Fiscal Year Ended June 30, 1979

	Private Investigators (ERA)	Board of Dentists (ERA)	Board of Optometrists (ERA)	Board of Pharmacists (ERA)	Board of Osteopathic Physicians (ERA)
Fund Balance, July 1, 1978	\$ 4,190	\$ 8,530	\$23,565	\$69,134	\$ 356
Additions:					
Excess Receipts over Expenditures	598	1,298	2,174	15,721	
Reserve for Reverted Approp., 7-1-78	693	36	185	5,041	326
Total	<u>5,481</u>	<u>9,864</u>	<u>25,924</u>	<u>89,896</u>	<u>682</u>
Deductions:					
Excess Expenditures over Receipts					100
Reserve for Reverted Approp., 6-30-79	11	688	344	7,411	315
Prior Year Adjustments	35	427	185	67	3
Total	<u>46</u>	<u>1,115</u>	<u>529</u>	<u>7,478</u>	<u>418</u>
Fund Balance, June 30, 1979	<u>\$ 5,435</u>	<u>\$ 8,749</u>	<u>\$25,395</u>	<u>\$82,418</u>	<u>\$ 264</u>

The accompanying notes are an integral part of these statements.

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING

STATEMENT OF CHANGES IN FUND BALANCE
for the Fiscal Year Ended June 30, 1979

	Board of Nursing (ERA)	Board of Veterinarians (ERA)	Board of Barbers (ERA)	Board of Psychologists (ERA)
Fund Balance, July 1, 1978	\$136,384	\$ 9,115	\$ 7,711	\$ 7,052
Additions:				
Excess Receipts over Expenditures	11,644	181		
Reserve for Reverted Approp., 7-1-78	2,842	10	693	38
Total	<u>150,870</u>	<u>9,306</u>	<u>13,640</u>	<u>7,090</u>
Deductions:				
Excess Expenditures over Receipts				1,270
Reserve for Reverted Approp., 6-30-79	61	42	7,426	105
Prior Year Adjustments	<u>(239)</u>	<u>127</u>	<u>710</u>	<u>14</u>
Total	<u>(178)</u>	<u>169</u>	<u>8,136</u>	<u>1,389</u>
Fund Balance, June 30, 1979	<u>\$151,048</u>	<u>\$ 9,137</u>	<u>\$ 5,504</u>	<u>\$ 5,701</u>

The accompanying notes are an integral part of these statements.

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING

STATEMENT OF REVENUES AND EXPENDITURES
for the Fiscal Year Ended June 30, 1979

	Central Services		Board of Landscape Architects		Board of Speech Pathologists	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS	\$130,000	\$112,173	\$ 6,300	\$ 3,080	\$ 7,000	\$ 4,460
EXPENDITURES:						
Salaries	77,310	68,673	1,335	591	1,500	1,092
Other Compensation					250	100
Employee Benefits	10,051	9,336	173	94	253	176
Contracted Services	5,970	4,672	1,300	1,588	600	439
Supplies	2,500	1,475	100	160	300	162
Communications	4,943	4,192	200	160	450	223
Travel	440	194	1,341	1,494	1,450	784
Rent	17,176	16,794				
Repair and Maint.	160	314			25	
Other Expenses	380	64	200	350	100	
Equipment	400	561				
Appropriation Transfer			639	639	447	447
Utilities	2,434	830				
Total Expenditures	121,764	107,105	5,288	5,076	5,375	3,423
EXCESS OF RECEIPTS OVER EXPENDITURES	\$ 8,236	\$ 5,068	\$ 1,012	(\$ 1,996)	\$ 1,625	\$ 1,037

The accompanying notes are an integral part of these statements.

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING

STATEMENT OF REVENUES AND EXPENDITURES
for the Fiscal Year Ended June 30, 1979

	Board of Radiologic Technologists		Board of Warm Air Heating		Board of Podiatry Examiners	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS	\$ 8,500	\$11,100	(\$11,155)	(\$8,782)	\$ 1,000	\$ 920
EXPENDITURES:						
Salaries	3,337	2,212	609	647	225	139
Other Compensation	500	575	600	571	29	15
Employee Benefits	438	330	91	103	45	21
Contracted Services	750	361	1,000	869	100	53
Supplies	250	263	20	43	50	7
Communications	400	502	100	123	50	73
Travel	1,055	1,706	1,000	1,133	400	92
Rent	50					
Repair and Maintenance	25	30			9	
Other Expenses		4			22	21
Appropriation Transfer	595	595	253	253		
Total Expenditures	7,400	6,578	3,673	3,742	930	421
EXCESS OF RECEIPTS OVER EXPENDITURES	\$ 1,100	\$ 4,522	(\$14,828)	(\$12,524)	\$ 70	\$ 499

The accompanying notes are an integral part of these statements.

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING

STATEMENT OF REVENUES AND EXPENDITURES
for the Fiscal Year Ended June 30, 1979

	Board of Nursing Home Administrators		Board of Hearing Aid Dispensers		Board of Massage Therapists	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS	\$17,000	\$ 9,540	\$ 2,000	\$ 3,315	\$ 2,500	\$ 2,060
EXPENDITURES:						
Salaries	7,514	3,348	662	500	691	308
Other Compensation	300	350	200	200	300	300
Employee Benefits	977	563	86	81	60	50
Contracted Services	3,000	769	200	108	180	5
Supplies	400	239	100	61	40	27
Communications	640	312	650	217	222	101
Travel	2,700	1,108	660	454	900	665
Rent	150	35			25	
Repair and Maintenance	55	60				15
Other Expenses	400	200	50			
Equipment	700					
Appropriation Transfer	1,704	1,704	238	238	207	207
Total Expenditures	18,540	8,688	2,846	1,859	2,625	1,678
EXCESS OF RECEIPTS OVER EXPENDITURES	(\$ 1,540)	\$ 852	(\$ 846)	\$ 1,456	(\$ 125)	\$ 382

The accompanying notes are an integral part of these statements.

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING

STATEMENT OF REVENUES AND EXPENDITURES
for the Fiscal Year Ended June 30, 1979

	Board of Public Accountants		Board of Sanitarians		State Electrical Board	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS	\$41,500	\$55,328	\$ 1,500	\$ 2,940	\$65,970	\$70,149
EXPENDITURES:						
Salaries	14,297	10,224	791	984	25,377	22,042
Other Compensation	1,500	1,130			1,500	850
Employee Benefits	2,200	1,628	103	158	4,391	3,421
Contracted Services	15,736	21,644	900	649	5,400	3,405
Supplies	1,000	1,373	30	47	3,000	628
Communications	3,500	3,016	205	224	3,600	1,224
Travel	6,500	3,894	289	165	6,000	3,085
Rent	700	1,100				364
Repair and Maintenance	100	60			100	211
Other Expenses	1,000	1,431			1,300	26
Equipment	1,000	624			1,200	
Appropriation Transfer	4,362	4,362	281	281	7,506	7,506
Goods for Resale					1,000	
Total Expenditures	51,895	50,486	2,599	2,508	60,374	42,762
EXCESS OF RECEIPTS OVER EXPENDITURES	(\$10,395)	\$ 4,842	(\$ 1,099)	\$ 432	\$ 5,596	\$27,387

The accompanying notes are an integral part of these statements.

EXHIBIT C

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING

STATEMENT OF REVENUES AND EXPENDITURES
for the Fiscal Year Ended June 30, 1979

	Board of Real Estate		Board of Athletics		Board of Architects	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS	\$105,000	\$176,843	\$ 1,000	\$ 6,934	\$16,400	\$22,039
EXPENDITURES:						
Salaries	68,227	59,635	530	818	3,250	3,729
Other Compensation	2,700	1,758			300	650
Employee Benefits	8,870	9,485	80	131	525	595
Contracted Services	47,586	57,390	170	110	4,400	2,620
Supplies	3,500	2,197	40	47	400	429
Communications	6,800	6,019	150	121	1,246	1,287
Travel	15,000	8,173	910	696	3,700	2,578
Rent	3,400	1,928				
Repair and Maintenance	150	642			25	60
Other Expenses	1,500	367			500	641
Equipment	1,000	905			125	98
Appropriation Transfer	16,830	16,830	185	185	1,390	1,390
Total Expenditures	175,563	165,329	2,065	2,108	15,861	14,077
EXCESS OF RECEIPTS OVER EXPENDITURES	(\$ 70,563)	\$ 11,514	(\$ 1,065)	\$ 4,826	\$ 539	\$ 7,982

The accompanying notes are an integral part of these statements.

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING

STATEMENT OF REVENUES AND EXPENDITURES
for the Fiscal Year Ended June 30, 1979

	Board of Morticians		Board of Abstractors		Board of Chiropractors	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS	\$ 7,000	\$ 6,613	\$ 4,200	\$ 2,976	\$ 7,800	\$ 5,530
EXPENDITURES:						
Salaries	2,305	1,658	780	1,041	1,950	1,609
Other Compensation	450	600	400	300	375	959
Employee Benefits	350	266	170	168	330	274
Contracted Services	1,200	717	800	469	575	627
Supplies	100	98	100	139	100	220
Communications	700	646	150	174	1,200	565
Travel	3,330	3,979	696	546	1,500	1,789
Rent	100	35		66		
Repair and Maintenance	35	30			25	37
Other Expenses	500	335			100	75
Appropriation Transfer	691	691	463	463	536	536
Total Expenditures	9,761	9,055	3,559	3,366	6,691	6,691
EXCESS OF RECEIPTS OVER EXPENDITURES	(\$ 2,761)	(\$ 2,442)	\$ 641	(\$ 390)	\$ 1,109	(\$ 1,161)

The accompanying notes are an integral part of these statements.

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING

STATEMENT OF REVENUES AND EXPENDITURES
for the Fiscal Year Ended June 30, 1979

	Board of Professional Engineers		Board of Medical Examiners		Board of Water Well Contractors	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS	\$50,500	\$51,515	\$75,000	\$116,875	\$ 6,200	\$10,740
EXPENDITURES:						
Salaries	18,903	15,377	19,964	14,821	2,300	2,332
Other Compensation	3,000	2,456	2,000	2,375	150	215
Employee Benefits	3,198	2,338	1,595	1,624	250	374
Contracted Services	10,700	12,678	50,493	46,179	8,700	7,118
Supplies	1,150	3,429	1,100	2,154	200	1,050
Communications	3,500	3,066	3,300	2,848	300	360
Travel	6,803	4,619	7,400	5,370	3,240	2,620
Rent	300	397	300	632		
Repair and Maintenance	100	65	50	66	50	
Other Expenses	2,000	1,594	400	660		2
Equipment	125		200	287		54
Appropriation Transfer	5,768	5,768	6,296	6,296	1,011	1,011
Total Expenditures	55,547	51,787	93,098	83,312	16,201	15,136
EXCESS OF RECEIPTS OVER EXPENDITURES	(\$ 5,047)	(\$ 272)	(\$18,098)	\$33,563	(\$10,001)	(\$ 4,396)

The accompanying notes are an integral part of these statements.

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING

STATEMENT OF REVENUES AND EXPENDITURES
for the Fiscal Year Ended June 30, 1979

	Board of Cosmotologists		Board of Plumbers		Board of Horse Racing	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS	\$67,320	\$69,349	\$54,000	\$35,231	\$103,000	\$130,355
EXPENDITURES:						
Salaries	32,635	32,577	22,902	16,783	44,924	36,178
Other Compensation	1,100	1,075	1,000	1,220	3,200	4,225
Employee Benefits	4,600	5,121	2,977	2,531	3,615	3,015
Contracted Services	11,500	3,938	3,364	3,659	18,200	19,955
Supplies	900	533	3,103	1,295	1,700	3,626
Communications	2,700	2,288	900	815	2,700	3,544
Travel	13,523	12,216	6,600	7,902	21,572	21,906
Rent	200	358	220	135	200	49
Repair and Maintenance	200	118	100	35	250	99
Other Expenses	100	246	300	178	1,200	1,419
Equipment	125	370	200	674	500	495
Appropriation Transfer	8,308	8,308	2,611	2,611	5,835	5,835
Total Expenditures	75,891	67,148	44,277	37,838	103,896	100,346
EXCESS OF RECEIPTS OVER EXPENDITURES	(\$ 8,571)	\$ 2,201	\$ 9,723	(\$ 2,607)	(\$ 896)	\$ 30,009

The accompanying notes are an integral part of these statements.

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING

STATEMENT OF REVENUES AND EXPENDITURES
for the Fiscal Year Ended June 30, 1979

	Private Investigators		Board of Dentists		Board of Optometrists	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS	\$ 1,900	\$ 2,800	\$14,300	\$18,151	\$ 7,750	\$10,355
EXPENDITURES:						
Salaries	1,232	974	4,952	3,940	1,752	2,460
Other Compensation			1,000	1,280	700	525
Employee Benefits	160	102	644	614	350	397
Contracted Services	220	513	2,000	2,767	1,000	774
Supplies	100	172	474	526	175	112
Communications	175	199	1,300	1,393	550	649
Travel	145	61	3,800	2,807	2,000	1,460
Rent			625	650	300	100
Repair and Maintenance			40	15		65
Other Expenses			150	287	250	711
Equipment			125	143	125	105
Appropriation Transfer	181	181	2,431	2,431	823	823
Grants					500	
Total Expenditures	2,213	2,202	17,541	16,853	8,525	8,181
EXCESS OF RECEIPTS OVER EXPENDITURES	(\$ 313)	\$ 598	(\$ 3,241)	\$ 1,298	(\$ 775)	\$2,174

The accompanying notes are an integral part of these statements.

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING

STATEMENT OF REVENUES AND EXPENDITURES

for the Fiscal Year Ended June 30, 1979

	Board of Pharmacists		Board of Osteopathic Physicians		Board of Nursing	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS	\$55,000	\$66,325	\$ 520	\$ 390	\$107,000	\$126,934
EXPENDITURES:						
Salaries	29,891	27,551	193	176	56,214	54,188
Other Compensation	1,100	800	100	60	2,500	2,175
Employee Benefits	3,886	3,593	25	23	7,308	8,018
Contracted Services	4,274	2,760	50	7	16,226	21,731
Supplies	1,600	844	10	6	7,903	2,152
Communications	3,000	2,559	45	28	5,350	4,971
Travel	7,400	6,098	336	145	8,700	8,850
Rent	1,100	1,115			100	
Repair and Maintenance		60			200	171
Other Expenses	523	415			2,000	1,990
Equipment	500	68			1,700	194
Appropriation Transfer	4,741	4,741	45	45	10,850	10,850
Total Expenditures	58,015	50,604	804	490	119,051	115,290
EXCESS OF RECEIPTS OVER EXPENDITURES	(\$ 3,015)	\$15,721	(\$ 284)	(\$ 100)	(\$ 12,051)	\$ 11,644

The accompanying notes are an integral part of these statements.

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING

STATEMENT OF REVENUES AND EXPENDITURES
for the Fiscal Year Ended June 30, 1979

	Board of Veterinarians		Board of Barbers		Board of Psychologists	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS	\$13,800	\$16,951	\$22,700	\$19,099	\$ 3,700	\$ 5,190
EXPENDITURES:						
Salaries	3,070	3,131	4,300	2,889	1,177	1,064
Other Compensation	600	875	2,200	2,200	75	171
Employee Benefits	350	497	450	473	150	3,890
Contracted Services	7,300	6,808	4,948	869	3,648	118
Supplies	200	260	250	366	75	445
Communications	400	882	1,400	661	450	282
Travel	3,566	3,021	5,075	4,213	400	
Rent			350	156		
Repair and Maintenance	30		25		100	
Other Expenses			200	70		
Equipment			125			
Appropriation Transfer	1,296	1,296	1,966	1,966	490	490
Total Expenditures	16,812	16,770	21,289	13,863	6,565	6,460
EXCESS OF RECEIPTS OVER EXPENDITURES	(\$ 3,012)	\$ 181	\$ 1,411	\$ 5,236	(\$ 2,865)	(\$ 1,270)

The accompanying notes are an integral part of these statements.

State of Montana
Department of Professional and Occupational Licensing

Notes to Financial Statements

June 30, 1979

Summary of Significant Accounting Policies

Basis of Accounting - The modified accrual basis of accounting, under which expenditures are recorded when the liability is incurred and revenues are recorded when they are measurable and available to finance the Department's operations, is followed for all funds.

Encumbrances - Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in all funds. The balance in the reserve for encumbrances account, which is negligible at June 30, 1979, is included in accrued expenditures and is not shown as a separate item.

Appropriations - Appropriations are made at the beginning of each year by the legislature to cover the estimated operating expenses of the Department.

General Fixed Assets - Assets are recorded as expenditures in the various funds in the year of purchase or encumbrance rather than being capitalized in a general fixed assets group of accounts. As a

result, depreciation is not provided for general fixed assets in the statement expenditures.

Inventories - Inventories are expensed at the time of purchase.

Vacation and Sick Pay - The value of unused vacation and unused sick leave accumulated by employees is not recorded as a liability. The agency complies with the law as set down in the Montana Codes Annotated in regards to accumulating and paying vacation and sick pay.

Retirement Plans - Employees of the Department of Professional and Occupational Licensing are covered by the Public Employees Retirement System. The plan involves matching amounts paid by the eligible employee and the employer. The liability for unfunded past service costs and the actuarially computed value of vested benefits is not recognized in the financial statements.

Leases - The office space at the LaLonde Building, Helena, Montana, is being leased from Stanley M. Eischen for a period of 25 months at \$1,435.00 per month. The lease expires July 31, 1981. The leasee shall not assign or sublet except to another branch of the State of Montana without consent. The lease is subject to an escalator clause regarding property taxes and water and heat bills.

The office space at Suite 100, Professional Building, Great Falls, Montana, is leased for 12 months at \$100.00 per month from G.B.N., Inc. This lease expires June 30, 1980.

Contingent Liabilities - The Department is involved in approximately 70 contested case proceedings and 10 District and Federal Court proceedings. The actions are primarily related to enforcement provisions of the Montana Code Annotated. It is the opinion of the Department's counsel that no material financial loss will be sustained by the Department in these matters. A civil suit was filed September 28, 1979, against the Horse Racing Board asking for \$297,500 in damages. It is not known at this time whether there will be any financial loss resulting from this proceeding. This matter will be handled through the Insurance and Legal Division of the Department of Administration and any settlement against the Department will be covered by the state self-insurance plan.

STATE OF MONTANA
DEPARTMENT OF PROFESSIONAL & OCCUPATIONAL LICENSING
HELENA, MONTANA 59601

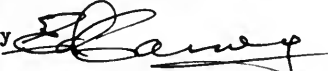
THOMAS L. JUDGE
GOVERNOR



ED CARNEY
DIRECTOR
LALONDE BUILDING
(406) 449-3737

October 26, 1979

To: Honorable Matt Himsl, Chairman
and Members of the Legislative Audit Committee

From: Ed Carney 

Re: Department Comment on Audit Report for the Period Ending June 30, 1979
Audit made by Firm of Steele & Vaught, CPA's of Bozeman

You will find attached the separate comments on each recommendation of the firm of Steele & Vaught.

The comment made by this firm on major inadequacies in the departments system of internal control and in its accounting records, was applicable to three earmarked revenue accounts out of a total of 33 earmarked accounts for which we are responsible. It would seem reasonable that the remainder of 30 earmarked revenue accounts would have been audited for verification of reported revenue.

The problem in the three earmarked accounts were related to a system called "batching" and recommended in the Audit Report for FY 76. "Batching" is a process where a number of only revenue on renewals is recorded in the ledger book in a lump sum and not recorded in an individual name. The renewals in each batch should have been identifiable by individuals and they were not. The director assumes full responsibility for this problem. We will in FY 80 establish a procedure where batching revenue is identifiable. It will require extra help and time to carry out, at least, until such time as the renewal forms are re-designed to leave an accounting record of the individual renewal revenue.

The comment on inadequate records on equipment inventory is admitted, the director must take the responsibility. A full and complete inventory on equipment is presently in process and will be completed by November 1, 1979.

Each audit provides the department with further guidance in carrying out our duties and responsibilities. The net result will be better service to the people of the state of Montana.

Should you or the other members of the Committee have any questions on the department comments, please feel free to request clarification.

CASH RECEIPTS AND REVENUES

1. DEPARTMENT COMMENT: The recommendation will involve extra time for Central Services to open all mail and to make a log of monies received before the board secretary receives the mail. When the treasury deposit ticket is prepared by the board secretary, and turned over to Central Services for preparation of the collection report, then Central Services will check to see if the same monies given to the board secretary is returned in the form of a deposit. All of these steps are extra work and will require personnel to implement. Because of the extra cost in employee time and the slowing of mail delivery, I am less than enthusiastic about this recommendation. From an accountants viewpoint I understand the recommendation, but the ideal situation must sometimes be sacrificed for economic expediency. This recommendation would be chaotic in its implementation at heavy renewal periods. Errors would occur because of temporary help to do the work required to maintain the records and the check on deposits made would be sacrificed in the consideration of getting the incoming mail handled in a reasonable time frame.
2. DEPARTMENT COMMENT: Agree with the recommendation. A remedy has been devised to properly control prenumbered receipts or licenses.
3. DEPARTMENT COMMENT: Agree with the recommendation.
4. DEPARTMENT COMMENT: Agree with the recommendation.

REFUNDS

1. DEPARTMENT COMMENT: A detailed list of cash received is available in the ledger book which records all cash received except for "batching" authorized for large boards at renewal time. Between the ledger book and the batch groups we will be able to identify money received and whether an individual is entitled to a refund. We have to improve our present system of "batching" so we can identify individual receipts in a batch, this will be done. Once this is done, problems as cited in (a) and (b) will no longer be applicable. Agree with recommendation in (c) and effective November 1, 1979, no refunds will be approved until two weeks have elapsed from the date of deposit.

RENEWALS

1. DEPARTMENT COMMENT: Agree with the recommendation, but it must be done in the framework of an orderly change, a crash program would create more problems than it would solve. Must be analyzed on a board by board basis. May not be applicable in all boards.
2. DEPARTMENT COMMENT: This recommendation has been implemented on the boards in which it appears to be feasible. The present renewal system is not

perfect and change does occur within the framework of changing renewal requirements in the law. A uniform system is not possible when some renewals are processed manually and some are done on computer. An alphabetical card file would be additional work in those boards presently without one, in lieu, we do have a computer printout in alphabetical listing of licensees which serves the same purpose.

SEPARATION OF DUTIES

1. DEPARTMENT COMMENT: General disagreement with the recommendation. The present system does allow for making central service personnel aware of the problems of board secretaries, provides for better utilization of the central service personnel time, does make the work of central services personnel more interesting and does provide for continuity in central service personnel as well as board assignments. The internal controls of a totally independent central services unit has been tried and has been discarded because of the above cited reasons. At the first opportunity and within the appropriation and FTE restraints, an effort will be made to disassociate certain board assignments from central service personnel.

FIXED ASSETS

1. DEPARTMENT COMMENT: Agree with the recommendation. All of the points discussed in (a), (b), and (c) have been done, but not on an annual basis. The reason is just a matter of having the time and priority of work to be done. The priority has not been given to the inventory responsibility. Our goal will be to make an annual inventory a fact.

FILES

1. DEPARTMENT COMMENT: Disagreement with the recommendation. The reason for the disagreement is one of the cost of a fireproof file and the problems with moving a file weighing as much as a fireproof file weighs. The safeguarding of licensee records is important, but must be done within a reasonable dollar and cents figure. Progress is being made with placing certain records on microfilm and this procedure will continue within funding limitations.

ACCOUNTS RECEIVABLE

1. DEPARTMENT COMMENT: Agree with the recommendation. It is our intent to keep accounts receivable at a minimum and this procedure will continue.

MEETING ROOMS

1. DEPARTMENT COMMENT: Agree with the recommendation. In reading Section 37-1-101 (3), MCA, you will find that the board makes the request for facilities and the department makes the arrangements. A board may not always want to meet in state-owned facilities.

TELEPHONE USAGE

1. DEPARTMENT COMMENT: Agree with the recommendation and this is being done at the present time. It is a time consuming process. It is my understanding that the new phone system in 1981 will resolve many of these problems. Problems will continue to be encountered with credit cards issued to board members for board business use.

CONTRACTED SERVICES

1. DEPARTMENT COMMENT: Disagree with the recommendation. We do deal with a time factor and many times the need for additional secretarial services would be expired by the time purchasing would award a contract. With the use of contracted services we have been able to have extra secretarial services by experienced people and we do not have to go thru the training process.

ABATEMENTS

1. DEPARTMENT COMMENT: Agree with the recommendation. In my reply to the abatement audit in January 1978, it was pointed out that a problem would exist if this was applied in FY 78 or FY 79 because the appropriations did not provide for these expenditures. Advice was requested on the timing of the implementation of the abatement recommendation. It was my understanding that the recommendation would not be implemented until funds were requested for the FY 80 and FY 81 appropriations for the affected boards.

TRAVEL EXPENDITURES

1. DEPARTMENT COMMENT: Agree with the recommendation and it will be applied immediately.
2. DEPARTMENT COMMENT: Agree with the recommendation. This will be implemented after notification to the various board members, November 1, 1979 is the target date for notification.

DEPARTMENT ALLOCATION

1. DEPARTMENT COMMENT: Agree with the recommendation. The errors made did not affect the total allocation to the boards, but did change the allocation between boards. Only three boards had a change in allocation of in excess of \$50. per board and one had an increase and two had decreases. Twenty-one boards had a plus or minus of less than \$5. per board. The one error in the cost calculation was less than 1/8 of 1% of the total cost figure of all boards or a \$379.90 error in a total of \$733,106. The remainder of the errors were in the time allocation figure and were approximately half of one percent of the total time figure for all boards or a total of 197 hours out of a total of 37709 hours actually worked. In reviewing the auditors work it was interesting to note that even auditors make mistakes. In order to correct these errors it is the intent to post employee hours per board on a quarterly basis and not do it all at one time. It could well be that the auditors time and the departments time could have been better expended in devising a better system of allocation.

PAYROLL

1. DEPARTMENT COMMENT: Agree with the recommendation. This will be done on the basis of available employee time in central services and available appropriation. Hopefully, we can double-check 50% of the payrolls.
2. DEPARTMENT COMMENT: Agree with the recommendation, but do not agree that the W-4 form should be on file before an employee begins work. It should be on file before he receives any pay.
3. DEPARTMENT COMMENT: Agree with the recommendation, but not to the point of knowing IRS regulations and judging propriety of status claimed on W-4 form. We can submit doubtful cases to IRS for interpretation.

